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ABSTRACT

Guidelines for California's community colleges are proposed with respect to acceptable reimbursable costs in determining community services fees. These guidelines are offered in the aftermath of the 1984 passage of an amendment to the Education Code, section 78305, which prohibits expenditures of State General Fund monies to establish and maintain community services classes and which mandates the adoption of guidelines defining acceptable reimbursable costs for which a fee might be charged. First, the report addresses three issues to put the requirements of the amended code provision in perspective: (1) a definition of community services; (2) a funding history of community services programs; and (3) an examination of existing funding patterns. Next, recommendations and guidelines for future funding are provided, including the proposals that the costs considered for reimbursement should be limited to direct costs, direct support costs, and certain indirect support costs; that in applying the recommended guidelines local districts should consider the class costs; and that in as much as the amendment to the Education Code prohibits the use of State General Funds for the support of community services offerings, decisions about other sources of support for community services should remain with local districts. Information on the regulatory and statutory authority for community services programs is appended. (HB)

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ACCEPTABLE REIMBURSABLE COSTS GUIDELINES IN DETERMINING COMMUNITY SERVICES FEES

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Board of Governors of the California Community Colleges
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Board of Governors of the
California Community Colleges
May 30-31, 1985

Item 5

Title: Acceptable Reimbursable Costs Guidelines in Determining Community Services Fees

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Summary

Community services offerings are authorized by both regulations and statutes. They are described as one of the functions within the mission of community colleges as established by the Donahoe Higher Education Act of 1960. Under Education Code Section (ECS) 78305, local governing boards have the permissive authority to charge a fee to students enrolled in community service classes.

Chapter 268 of the Statutes of 1984 (SB 1379) amended ECS 78305 to prohibit the expenditure of State General Fund monies to establish and maintain community service classes and required the Board of Governors to adopt guidelines defining acceptable reimbursable costs for which a fee may be charged. The statute, in effect, has set the bottom limit of the fee at zero, provided that no state apportionment monies are used to establish or maintain such classes. This item provides guidance in determining what direct costs, direct support costs, and indirect costs may be considered in arriving at the fee to be charged.

Recommended Action

The Educational Policy Committee should recommend to the full Board that the following conditions and guidelines for determining community service program costs be adopted.

1. The costs considered should be limited to direct costs, direct support costs and indirect support costs as described in this item.

2. In applying the guidelines recommended, local districts should consider the class costs in the aggregate rather than individual class costs.

3. Inasmuch as ECS 78305 prohibits the use of State General Funds for the support of community service offerings, decisions about other sources of support for community services should remain with local districts.

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I. Background

On June 30, 1984, SB 1379 (Alquist), a "trailer bill" to the Budget Act of 1984-85, was signed into law and became Chapter 268 of the Statutes of 1984. Section 16.43 of this bill amended Education Code Section 78305 and had specific impact on community services. The amendment prohibited the expenditure of State General Fund monies to establish and maintain community service classes, and required the Board of Governors to adopt guidelines defining acceptable reimbursable costs for which a fee might be charged. The amended Education Code section reads as follows:

> 78305. Governing boards shall not expend state General Fund moneys (sic) to establish and maintain community service classes. Governing boards may charge students enrolled in community service classes a fee not to exceed the cost of maintaining community service classes, or may provide instruction in community service classes for remuneration by contract, or with contributions or donations of individuals or groups. The board of governors shall adopt guidelines defining the acceptable reimbursable costs for which a fee may be charged.

Three basic questions should be answered in order to put the requirements of ECS 78305 in perspective: What is the definition of Community Services? How have these services been funded in the past? How should these be funded in the future?

A. Definition of Community Services

The definition, authority and criteria for community service programs in community colleges are provided in both regulations and statutes, set forth in Title 5, Section 55001 and 55002, and Education Code Sections 78300 through 78305.* In addition, Title 5, Section 55160 establishes the approval procedures for community service classes and differentiates this approval from that which is required for noncredit courses. Based on these two sources of authority, community service offerings may be defined as follows:

> *Community services are fee-based offerings which are classified into two basic areas: 1) community service classes which include avocational, recreational and professional inservice classes provided in the form of seminars, lecture series, forum series, workshops and conferences; (2) community service activities which include community development, recreational, cultural and Civic Center Act activities.*

It is important to differentiate community service classes from noncredit offerings. The latter are not fee-based and are supported

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* Education Code and Title 5 sections are included in Appendix A of this document.

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through state General Fund apportionment revenue at the rate of $1,166 per ADA plus inflation. These noncredit courses are further restricted to nine areas of instruction: parenting, basic skills, English as a second language, citizenship, courses for handicapped, short-term vocational courses, courses for older adults, some home economics courses, and health and safety education.

Finally, in defining community service offerings it must be noted that the Donahoe Act of 1960, which describes the mission and function of community colleges, clearly included community services as one of the functions of community colleges. It is also noteworthy that community services is one of the ten standards included in the accreditation review process of every college.

B. Funding History of Community Service Programs

While community services and its funding history parallel the fiscal uncertainty experienced by all other community college programs, three factors are most pertinent to this report:

1) Prior to Proposition 13 (June 1978), community services enjoyed a strong fiscal base from fees augmented by local community service permissive tax revenue.

2) After Proposition 13, the authority to levy the permissive tax was eliminated; however, the local community service permissive tax revenue generated in 1977-78 was included in districts' 1978-79 "target budgets" which became the base for subsequent years' funding. No requirement was imposed for continued support of community services from this funding.

3) With the establishment of additional specific funding criteria and a differential rate of reimbursement for noncredit courses, all noncredit offerings outside the nine areas specified in ECS 84711 became fee-supported courses (community services), but no specific prohibition was enacted to preclude the use of State General Fund revenues for some support of community service programs.

C. Present Funding Patterns

In order to ascertain current fee imposition practices, the California Community Colleges Council on Community Services and Continuing Education (CCSCE) in cooperation with Chancellor's Office staff, conducted a random sample of the 98 colleges which have community service programs. Twenty-three colleges were sampled, which constitute 24% of all programs. The purpose of this survey was to determine how course activity and course support measures have changed since a similar survey conducted by the Chancellor's Office during the 1980-81 academic year. Four basic questions were asked of all

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colleges; the responses and comparative data for both 1980-81 and 1984-85 are illustrated in the table below.

Information Items	1980-81 [N=23]		1984-85 [N=23]	
	Totals	Average	Totals	Average
1. Number of Comunity Service Sections offered	5,037	219	9,706	422
2. Enrollment Figures	191,452	8,324	220,271	9,577
3. Gross dollar fee revenue	$1,950,584	$84,808	$5,887,402	$255,974
4. Percentage of colleges covering all direct costs through fees	Not asked		100%	

It may be inferred from a comparison of both sets of data that community services programs have grown steadily in the past five years despite increased fiscal constraints; and that this growth has been directly supported by an increase in fees generated through course offerings. Most significant of all is the fact that all colleges indicated full coverage of all direct costs* from fees generated.

II. Recommendations and Guidelines for Future Funding

It is recommended that in compliance with the requirements of ECS 78305 the Board adopt guidelines designed to help colleges determine what costs, if any, are to be reimbursed through the imposition of a fee. Furthermore, these guidelines for reimbursable costs should apply at the program level and not at the course level.

The statute has limited the support of community services to local revenue by prohibiting the use of General Fund monies to "establish and maintain community services classes." Therefore, the basic posture recommended in these guidelines is that the decision as to how other sources of revenues are to be spent should belong to the local governing boards.

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* Direct costs were defined as including instructional staff salaries, instructional supplies, costs directly related to the promotion of classes and facilities and equipment rentals.

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Cost Determination Guidelines

Given the conditions recommended above, the guidelines for reimbursable costs for which a fee may be charged may be determined by considering the following factors associated with community service classes: direct costs; direct support costs; and indirect costs.

Direct Costs. Identifiable expenses incurred to conduct community service classes activities in the classroom or at other locations including instructional staff salaries and benefits, supplies, other operating costs, i.e., utilities, reproduction, facilities and equipment rentals, and equipment costs.

Where the expense is not exclusively for community service classes, only the prorated portion applicable to community service classes may be considered.

Direct Support Costs. Identifiable expenses incurred in a support function, i.e., community service office, reproduction, etc., directly community service classes.

Where the expense is not exclusively for community service classes, only the prorated portion applicable to community service classes, may be considered.

The determination as to what items of direct support are applicable (serve community service classes) and whether or not they should be considered for cost reimbursement as well as the method or basis for cost allocation should be made locally.

Indirect Support Costs. Identifiable expense incurred for routine services not performed as a special service for particular activities or programs but supportive of some or all programs conducted by the college or district.

The determination as to what item of noninstructional support activities are applicable (serve community service classes) and whether or not they should be considered for cost reimbursement as well as the method or basis of cost allocation should be made locally.

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APPENDIX A

REGULATORY AND STATUTORY AUTHORITY FOR COMMUNITY SERVICE PROGRAMS

A. Definition

Title 5, Section 55001 provides the definition for the community services programs offered by community colleges. This section divides this program into two categories: (1) community service classes and (2) community service activities. The classifications under these two categories are identified as follows:

T5/55001.
(1) Community Services Classes
  (A) Avocational Classes
  (B) Recreational Classes
  (C) Seminars, Lecture Series, Forum Series, Workshops, and Conferences
  (D) Professional and Occupational Inservice Classes
(2) Community Services Activities
  (A) Civic Center Act Activities
  (B) Cultural Activities
  (C) Community Development Activities
  (D) Recreational Activities

B. Authority

Authority to offer community services classes and activities is specified in the Education Code, Article 7, Sections 78300-78305.

ECS/78300. Establishment by governing board. The governing board of any community college district is authorized without the approval of the board of governors to establish and maintain community service classes in civic, vocational, literacy, health, homemaking, technical and general education, including but not limited to classes in the fields of music, drama, art, handicraft, science, literature, nature study, nature contacting, aquatic sports and athletics. Such classes shall be designed to provide instruction and to contribute to the physical, mental, moral, economic, or civic development of the individuals or groups enrolled therein.

§ 78301. Admission. Community service classes shall be open for the admission of adults and of such minors as in the judgment of the governing board may profit therefrom.

§ 78302. Scheduling of classes. Community service classes may be convened at such hours and for such length of time during the day or evening and at such period and for such length of time during the school year as may be determined by the governing board of the district.

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§ 78303. Recognition of accomplishment. Governing boards shall have the authority to provide for granting appropriate certificates or other recognition of skill or accomplishment in such classes.

§ 78304. No apportionment from state funds. Attendance or average daily attendance in community service classes pursuant to this article shall not be reported to the board of governors for apportionment. No apportionment from state funds shall be made to establish or maintain such classes.

§ 78305 Expenses. Governing boards may expend from the general fund of the district any money which is budgeted for community service sto establish and maintain community service classes and may charge student fees not to exceed the cost of maintaining such classes or may provide instruction in sucy classes for remuneration by contract, or with contributions or donations of individuals or groups.

C. Criteria

The criteria that must be met by community service classes are specified in Title 5, Section 55002 which states:

T5/55002.
(a) A community services class at a minimum:
(1) Is approved by the local district governing board.
(2) Is designed for the physical, mental, moral, economic, or civic development of persons enrollment therein.
(3) Provides subject matter content, resource materials, and teaching methods appropriate for the enrolled students.
(4) Is conducted in accordance with a predetermined strategy or plan.
(5) Is open to all members of the community.
(6) Attendance in community services classes may not be claimed for apportionment purposes.

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